

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE MUNICIPAL DERIVATIVES)	MDL No. 1950
ANTITRUST LITIGATION)	
)	
)	Master Docket No. 08-02516 (VM) (GWG)
THIS DOCUMENT RELATES TO:)	
)	
ALL ACTIONS)	
)	

**PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF
SETTLEMENT WITH DEFENDANT MORGAN STANLEY**

Plaintiffs hereby move for an Order granting preliminary approval of a settlement agreement (“Settlement Agreement”) reached between Plaintiffs the City of Baltimore, MD, the University of Mississippi Medical Center, the University of Southern Mississippi, the Mississippi Department of Transportation, the University of Mississippi, the Central Bucks School District, and the Bucks County Water & Sewer Authority (“Plaintiffs”), individually and on behalf of the putative class of purchasers in this action (the “Settlement Class” or “Class”), and Defendant Morgan Stanley.

Pursuant to the Settlement Agreement, a copy of which is attached hereto as Exhibit A, Morgan Stanley made a total cash payment of \$6.5 million for the benefit of the Class (“Settlement Amount” of \$4.95 million plus “Fees and Costs Amount” of \$1.55 million) within ten (10) business days after the execution of the Settlement Agreement, which amount was placed in escrow pending the final approval of the settlement by the Court in exchange for dismissal by the Court of the claims of the Class against Morgan Stanley. *See* Ex. A at 15-19. While the Settlement Agreement is not an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Morgan Stanley, Morgan Stanley further agrees to cooperate with

Class Counsel and Class Members by providing available information related to the municipal derivatives industry and/or claims asserted by Class Plaintiffs in this litigation.

In light of ongoing confidential settlement discussions with other Defendants, Plaintiffs seek to defer providing notice of the Settlement Agreement to Class Members for a period not to exceed 90 days following preliminary approval of the Settlement Agreement. Private and judicial resources will be conserved if Plaintiffs are able to provide notice of more than one settlement simultaneously. In the interim, Plaintiffs will submit proposed forms of a Class Notice, Publication Notice, Notice Plan, Claim Form and Distribution Plan for the Court's consideration and approval.

Therefore, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Plaintiffs respectfully request that the Court enter an Order:

- (a) Preliminarily approving the Settlement Agreement;
- (b) Conditionally certifying the proposed Settlement Class as defined in the Settlement Agreement;
- (c) Appointing Interim Co-Lead Counsel as counsel for the Settlement Class pursuant to Fed. R. Civ. P. 23(g);
- (d) Authorizing Plaintiffs to provide notice of the Settlement Agreement to Class Members, in a form to be approved in advance by the Court, no later than 90 days after granting this Motion;
- (e) Approving Rust Consulting, Inc. as administrator of the settlement and Citibank, N.A. as escrow agent.
- (f) Scheduling a final fairness hearing before the Court pursuant to Fed. R. Civ. P. 23(e)(2) to determine whether the proposed Settlement should be granted final approval;

- (g) Setting deadlines for accomplishing other steps in the Settlement-approval process;
- (h) Staying the proceedings against Morgan Stanley in accordance with the terms of the Settlement Agreement; and
- (i) Granting such other and further relief as may be appropriate.

This motion is supported by the Settlement Agreement; Plaintiffs' Memorandum of Law in Support of Motion for Preliminary Approval, submitted herewith; all pleadings filed in this case; and such additional evidence or argument as may be presented to the Court.

Dated: December 2, 2010

Respectfully submitted,

/s/ Arun S. Subramanian
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CERTIFICATE OF SERVICE

I certify that on December 3, 2010, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all counsel of record who are CM/ECF participants. In addition, I further certify that I caused a copy of the above-referenced document and the notice of electronic filing to be mailed by first-class mail, postage paid, to the following non-ECF participants at the following addresses:

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